



DEPARTMENT OF THE NAVY

NAVAL AIR SYSTEMS COMMAND
NAVAL AIR SYSTEMS COMMAND HEADQUARTERS
WASHINGTON, DC 20361 -0001

IN REPLY REFER TO
NAVAIRINST 4500.5C
AIR-41213
19 Mar 90

NAVAIR INSTRUCTION 4500.5C

From: Commander, Naval Air Systems Command

Subj: UTILIZATION AND DISPOSAL OF CONTRACTOR INVENTORY

Ref: (a) Defense Acquisition Regulations (NOTAL)
(b) Federal Acquisition Regulations (NOTAL)
(c) DOD Federal Acquisition Regulations (NOTAL)
(d) Navy Acquisition Regulations Supplement (NOTAL)
(e) DOD 4160.21-M (NOTAL)

1. Purpose. To assign responsibilities and provide Naval Air Systems Command Headquarters (NAVAIRHQ) procedures for screening, utilizing, and disposing of "contractor inventory" as defined in reference (a), section 24-101.5 and reference (b), part 45.601.
2. Cancellation. This instruction supersedes NAVAIR Instruction 4500.5B of 25 June 1979. Since this is a major revision, changes are not indicated.
3. Policy. It is the policy of the Department of Defense (DOD), Department of Navy (DON), and NAVAIRHQ to use excess and/or surplus property instead of new procurement whenever possible. The policies and procedures for disposing of such property, title to which is or may be assigned to the DON, are contained in references (a), (b), (c) and (d).
4. Scope. With the exception of class 4 plant property and automatic data processing equipment, the procedures contained in this instruction are applicable to all contractor inventory, as defined in references (a), (b), (c), and (d), which has been declared excess or surplus to a contract.
5. Responsibilities
 - a. Material Reutilization and Disposal Team (AIR-41213) is responsible for
 - (1) managing excess and surplus contractor inventory under the cognizance of NAVAIRHQ;
 - (2) coordinating the screening of excess contractor inventory within NAVAIRHQ, Navy and other DOD activities;



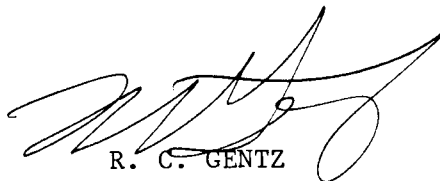
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c. If notification is not given in 30 days, the CAO will forward the listings to the General Services Administration for screening with other Federal departments and agencies, donated to qualified recipients, or sold.

d. AIR-41213 will complete disposal action on all listings of property accountable under service, supply and research and development contracts, 25 days from the date of submission to NAVAIRHQ.

7. Classified Material. Classified material to be disposed must be destroyed or mutilated sufficiently to preclude reconstruction of the classified information in whole or in part. Destruction of the material may be limited to those portions that incorporate classified information. Anyone recognizing classified property which is not indicated on the excess listings is obligated to advise AIR-41213 so corrective action may be initiated. Under no circumstances will classified property be disposed outside of DOD without being modified or mutilated to the extent necessary to preclude violation of security. Any decals and/or markings that may identify the items as being hazardous must be left intact.



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(3) initiating the action for the movement of excess contractor inventory per recommendations of the activities who were screened.

(4) issuing disposal instructions for excess contractor inventory for which there are no requirements per references (a), (b), (c), and (d); and

(5) directing the movement of excess contractor inventory to a Defense Reutilization and Marketing Office, per reference (e), when the contractor or the Contract Administration Office (CAO) does not possess the capability or facilities to dispose or demilitarize the property.

b. Divisions within NAVAIRHQ are responsible for the following:

(1) Screening lists of excess contractor inventory for property to fill known requirements. These listings are to be returned with comments and recommendations to AIR-41213 within the time limits established in this instruction.

(2) Furnishing AIR-41213 with technical guidance, regarding the mutilation or destruction of classified material as described in paragraph 7 of this instruction.

(3) Providing AIR-41213 with any special precautions which are required for handling and disposing of hazardous or radioactive material.

6. Screening Procedures

a. Contractors are to submit listings of excess or surplus property located at their facilities and any correspondence pertinent to such property to AIR-41213 via the assigned CAO component for review. The listings will be forwarded for screening to divisions, branches, sections, or teams having cognizance or potential requirements for the property listed.

b. A screening time limit is established at 3 work days for each technical unit involved, beginning on the day it is received. Unless an extension is requested, AIR-41213 must notify the CAO of its determinations within 30 days of the date of the excess property report. When screening is completed, AIR-41213 will coordinate and consolidate the comments and recommendations from the route sheets, issue shipping instructions for the required property, and direct the CAO to dispose of any property not required by NAVAIRHQ.

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